

Federal Trade Commission / Office of the Secretary, Room H – 135 (annex W)
Re: Business Opportunity Rule, R511993
600 Pennsylvania Avenue, NW
Washington, DC 20580

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Dear Sir or Madam,

I am writing to you to express concern with certain aspects of the proposed new Business Opportunity Rule R511993. As a member of the network marketing industry, I believe that this rule, if not modified, will create additional, unnecessary steps impeding the flow of business and a burden to the whole industry. If the intent of the rule is to protect consumers, it in effect will create a serious burden to the free market trade.

Specifically, the 7-day waiting period would require a seven day waiting period to enroll a new distributor, thereby in fact creating the need to enroll the interested party twice. This would require double the paperwork and double the time to follow-up. Any legitimate network marketing company has a cancellation policy, which I agree must be clearly stated to a prospect, and therefore covers the same intent as the 7-day waiting period without extra work.

The next item I have concerns about is the earnings disclosure requirements. The disclosure of an average earnings income statement is reasonable in order to establish realistic expectations. However, providing a written substantiation of such incomes will require extra research and work for each company which is unnecessary since trade publications print such data. If a prospect is considering joining a company, then it is his or her responsibility to do the research and to make an educated decision based on such research. Again, if this rule is intended to protect the consumer or prospect, then the burden should be the consumer's or prospect's. I strongly feel that our government cannot continue to protect lazy members of society who will not take responsibility for themselves.

The third part that concerns me is that the rule requires the disclosure of a minimum of 10 purchasers closest to me. I agree that satisfied customers are a business's best "salesman", but isn't it a violation of confidentiality if I identify my customers to strangers and tell them what they bought? Will every sale I make then be regarded as "public record?" Would that be extended then to sales of all consumer goods? Or all corporate sales and transactions? It does not seem fair or appropriate for only one sector of the market, e.g. industries offering business opportunities to the average citizen, be singled out for such a burdensome requirement. Also, the prospects I talk to are all over the country so I may not have any in my immediate area.

Lastly, I have great concerns about the Rule's requirement to release information regarding prior litigation and civil or criminal legal actions involving misrepresentations, or unfair or deceptive practices, even if found innocent. This part of the rule can seriously hurt a legitimate, respectable business if, due to the ease of filing civil action suits in the U.S., a disgruntled lawsuit-happy individual takes the business to court. If there is substantiated proof of misrepresentation, or unfair or deceptive practices, and the accused is found guilty, then I agree that this should be disclosed or made available for a prospect to find in the SEC records. Again,

I think that the intent is to protect the unwise or naive individual, but the end result is burdening many businesses or even setting up a business to appear unlawful, when in fact it is not.

The network marketing industry is one of the few remaining opportunities for ordinary people to be able to reach the top through hard work. Also, it is possible to achieve this and create a leveraged income with a minimal financial investment. Although network marketing has always been looked down upon in the economic sector, many such companies are now traded on the New York Stock Exchange and have excellent D&B ratings. As a matter of fact, blue-chip corporations such as Citigroup and IBM are now employing network marketing for the advancement of their business.

Currently, there are 13 million Americans involved in the network marketing industry contributing approximately \$29 billion to the economy (in 2003). I am one of those 13 million Americans. I am an MBA who worked in the corporate world until layoffs and cutbacks undermined my security. Then I had my own bookstore until I could no longer earn a living because the large chain stores such as Barnes and Noble and Borders moved in on my territory. Now I have finally found an industry in which, if I work hard and do my research, I can advance as far as I'd like to. And I can do it from home without sacrificing my family.

Photomax is a concept I embraced with great excitement after I did my research. Consumers and prospects who may want to invest in a new business need to know where to look for information that is already out there. Wouldn't it be more prudent to publish a guide on "How to Research a Potential Business Opportunity" rather than saddle businesses who are supporting our economy with burdensome requirements and regulations that will impede their operations?

In summary, I ask that you reconsider the requirements I've expressed concern about. I understand the need and value the role of the FTC "to stand up for America's free market process and for its consumers, who benefit from competitive markets in which truthful information flows." I believe that we need to teach people to make informed decisions for themselves instead of protecting their ignorance. I support an approach where consumers or prospects would be educated or guided through the process of examining criteria and facts that are already being disclosed by companies before embarking on a business opportunity. I also think it is imperative to support the small business individual or entrepreneur who truly has been and will continue to be the backbone of this country's economy. The requirements I have addressed will seriously burden and impede growth of a significant small business sector in the U.S.

Thank you, in advance, for reviewing these comments.

Yours truly,